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Federal Communications Commission
Office of the Secretary

September 29, 2006

VIA HAND DELIVERY

Marlene H. Dortch
Office of the Secretary
Federal Communications Commission
236 Massachusetts Avenue, N.E.
Washington, D.C. 20002

**Re: NPCR, Inc. Petition for Waiver of Section 54.802(a) of the
Commission's Rules; CC Docket No. 96-45**


Dear Ms. Dortch:

NPCR, Inc. ("NPCR") hereby submits the attached Petition for Waiver of Section 54.802(a) of the Commission's Rules and supporting Declaration. The Petition and Declaration are necessitated by NPCR's inadvertent failure to timely file line count data by June 30, 2006.

NPCR regrets having missed the filing deadline and, as described in the attached Petition, is taking measures to assure that this does not happen again.

Please feel free to contact me should you have any questions regarding the Petition.

Respectfully submitted,



Todd B. Lantor
Regulatory Counsel

Enclosures

cc: Michelle Carey
Thomas Navin
Jeremy Marcus
Vickie Robinson
Thomas Buckley
Alexander Minard
Jennifer Prime

JAN 9 2007
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**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of

Federal-State Joint Board on Universal
Service NPCR, Inc. Petition for Waiver of
Section 54.802 of the Commission's Rules

CC Docket No. 96-45

**EXPEDITED ACTION
REQUESTED**

**NPCR, INC. PETITION FOR WAIVER OF SECTION 54.802
OF THE COMMISSION'S RULES**

September 29, 2006

Todd B. Lantor
Regulatory Counsel
NPCR, Inc.
2001 Edmund Halley Drive
Mailstop: VARESP0202-A207
Reston, Virginia 20191-3436
Telephone: (703) 592-7185

Mark J. Ayotte
BRIGGS AND MORGAN, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 977-8400
Its Counsel

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SUMMARY

NPCR, Inc. ("NPCR" or the "Company") respectfully requests a limited waiver of the June 30 line count filing deadline set forth in 47 C.F.R. § 54.802 to enable the Company to receive Interstate Access Support ("IAS") for the months of July, August and September 2006.

On Thursday, June 29, 2006 – in advance of the June 30 line count filing deadline – NPCR mailed its IAS line count reports (FCC Form 525) to the Universal Service Administrative Company ("USAC") via certified mail. However, USAC did not acknowledge receipt of the Company's IAS line count reports until Monday, July 3, 2006 – one business day after the filing deadline. NPCR's Tax Department staff responsible for preparing and filing the line count reports with USAC followed its established internal procedures for submitting the line count reports in a timely manner and mailed the IAS reports to USAC via certified mail. NPCR did not become aware that its June 30, 2006 IAS line count reports had not been timely received until approximately September 6, 2006 – when the Company observed that the September disbursements were below the normal USAC funding level. Immediately upon learning that the June 30, 2006 IAS line count data were not timely filed, NPCR's Tax Department staff investigated and reviewed the Company's line count filing process to determine the cause.

NPCR has established internal procedures which normally provide for the Company's Tax Department to prepare and file line count reports two to four weeks prior to the applicable filing deadline. This process includes mailing the line count reports to USAC via certified mail. On or about June 20, 2006, however, NPCR was informed that the Commission had approved the Company's merger with Sprint Nextel Corporation ("Sprint Nextel"). To prepare for the closing of this transaction, substantial portions of the Company's Tax Department were diverted

from their normal duties to facilitate NPCR's June month-end accounting close and the preparation of financial statements in advance of the acquisition by Sprint Nextel. This significant redirection of staffing resources required to meet the additional demands placed on the Company's Tax Department by the pending acquisition delayed the normal process of completing and filing the Company's line count reports.

NPCR's June 30, 2006 IAS line count reports were nevertheless completed and mailed to USAC on Thursday, June 29, 2006 – in advance of the June 30 filing deadline. Pursuant to the Company's internal procedures, the Company's Tax Department sent the Form 525 to USAC via certified mail. However, USAC did not acknowledge receipt of the Company's June 30, 2006 IAS line count reports until the following business day, i.e., Monday, July 3. Because NPCR's line count reports were received just one business day after the filing deadline, inclusion of the Company's line count data in USAC's calculations should not have caused any administrative difficulty.

NPCR is aware of the importance of adhering to the filing deadlines set forth in the Commission's Rules. The Company has not missed one line count filing deadline in the three years preceding June 2006 that it has filed such reports as a competitive ETC. Immediately after discovering the untimely filing, NPCR investigated the situation, revised its internal filing procedures to ensure that the Company's line count reports will be timely filed in the future, and prepared this petition without delay.

Granting the requested waiver under these circumstances is consistent with well-established Commission precedent, will promote the provision of universal service, and will assist NPCR in continuing to provide high quality services throughout its designated areas.

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of

Federal-State Joint Board on Universal
Service NPCR, Inc. Petition for Waiver of
Section 54.802 of the Commission's Rules

CC Docket No. 96-45

**EXPEDITED ACTION
REQUESTED**

To: Wireline Competition Bureau

PETITION FOR WAIVER

NPCR, Inc.¹ ("NPCR" or the "Company"), through counsel and pursuant to 47 C.F.R. §§ 1.3 and 1.925(b)(3), hereby requests waiver of Section 54.802 of the Rules of the Federal Communications Commission ("Commission"), 47 C.F.R. § 54.802. Specifically, NPCR requests waiver of the June 30, 2006 Interstate Access Support ("IAS") line count filing deadline set forth in 47 C.F.R. § 54.802 to enable the Company to receive Interstate Access Support ("IAS") for the months of July through September, 2006.

NPCR's Tax Department typically prepares and files the Company's IAS line count reports (FCC Form 525) two to four weeks in advance of the applicable filing deadlines. However, due to NPCR's impending merger with the Sprint Nextel Corporation ("Sprint Nextel"), substantial staffing resources were diverted from their normal duties to facilitate NPCR's June month-end accounting close and the preparation of additional financial statements necessary for acquisition. Even so, the Company's Tax Department completed and mailed the

¹ In June 2006, Nextel Partners, Inc. and its subsidiaries, including NPCR, Inc., were acquired by Sprint Nextel Corporation. NPCR, Inc. is now a wholly-owned subsidiary of Sprint Nextel Corporation. This Petition for Waiver relates only to NPCR, Inc.'s operations and provision of service within its designated service areas.

June 30, 2006 IAS line count reports to USAC via certified mail on Thursday, June 29 – in advance of the filing deadline. However, USAC did not acknowledge receipt of NPCR's June 30 IAS line count reports until Monday, July 3 – just one business after the filing deadline. Consequently, the Company has not received IAS support for the months of July through September 2006.

As set forth below, waiver of Section 54.802's June 30 filing deadline will allow NPCR to receive the IAS support to which it is entitled, maintain and improve the Company's network, and continue to provide high quality telecommunications services in NPCR's designated areas.

I. BACKGROUND²

NPCR has been designated as an Eligible Telecommunications Carrier ("ETC") in fifteen states. The Company receives IAS funding in fourteen of those fifteen states. The Company utilizes this funding to maintain and upgrade NPCR's network and facilities to continue the provision of high-quality service to customers throughout the Company's designated service areas.

NPCR is sensitive to the line count filing deadlines set forth in the Commission's Rules. Accordingly, the Company has established internal procedures to ensure the early preparation, review and timely filing of the line count reports with USAC in advance of those deadlines. This commitment is evidenced by NPCR's submission of the Company's High Cost Loop ("HCL") and Interstate Common Line Support ("ICLS") line count reports – which were not due until July 31, 2006 – at the same time the Company mailed its IAS line count report on June 29, 2006.

² All factual information necessary to support this Petition is contained in the Declaration of Josh Milliern filed concurrently herewith.

Moreover, prior to the June 30, 2006 filing, NPCR had never missed a line count filing deadline in the three years the Company has been submitting line count reports as a competitive ETC.

Typically, NPCR's line count reports are finalized two to four weeks before the applicable deadline. The Company's normal process involves requesting the line count data from one of NPCR's business analysts approximately four to six weeks prior to the applicable filing deadline. Once all of the line count data has been compiled, a Tax Contractor for NPCR prepares an initial draft of the line count reports for delivery to Josh Milliern, a senior NPCR tax accountant. Mr. Milliern reviews the line count reports for accuracy. Upon completing his review, Mr. Milliern hand delivers the line count reports to Boyd Daniels, a senior NPCR tax manager, for his final review, approval and signature. Mr. Milliern is then responsible for ensuring the final line count reports are mailed to USAC. The Company's normal procedures involved sending the line count reports to USAC by certified mail, return receipt requested.

NPCR's June 30, 2006 IAS line count reports were prepared in accordance with the Company's normal procedures set forth above. On or about June 20, 2006, however, NPCR was informed that the Commission had approved the Company's merger with Sprint Nextel. This announcement and the anticipated closing of the transaction resulted in a significant increase in additional accounting work for the Company's Tax Department's during June 2006. As a result, substantial staffing resources were diverted from their normal duties to facilitate NPCR's June month-end accounting close and the preparation of financial statements in advance of the Company's acquisition by Sprint Nextel within a short time period. In short, the Company did not have a routine end of quarter. This redirection of staffing resources within the Tax Department resulted in NPCR's inability to prepare and finalize the IAS line count reports

consistent with the Company's normal process of completing the reports two to four weeks before the applicable deadline.

Yet, even with this substantial redirection of staffing resources, NPCR's Tax Department completed and mailed the June 30, 2006 IAS line count report to USAC via certified mail on Thursday, June 29 – in advance of the filing deadline. Mr. Milliern, who was responsible for overseeing the mailing of the IAS line count reports, understood the importance of the June 30 filing deadline. Accordingly, he directed an intern to submit the IAS line count reports via certified mail on Thursday, June 29, 2006. Mr. Milliern verified later that same day that the IAS line count reports had, in fact, been mailed. Unfortunately, in the midst of the hectic pre-acquisition accounting rush, it did not occur to Mr. Milliern to deviate from the Company's established procedures and mail the line count filings via overnight carrier instead of certified mail.

NPCR did not become aware of the untimely IAS line count submission until approximately September 6, 2006, when Scott Peabody, the Company's Director of Engineering and Operations, observed that the September disbursements were below the normal USAC funding level. Mr. Peabody then reviewed USAC's website to verify the status of certain support disbursements. Immediately upon seeing a negative amount reflected for IAS disbursements, Mr. Peabody contacted Elizabeth Pertsevoi at USAC and was informed that the Company's June 30, 2006 IAS line count report had not been received until after the deadline. NPCR's Senior Tax Manager and Senior Tax Accountant immediately investigated and determined that the IAS line count report had been mailed on June 29, 2006 via certified mail, but had not been received by USAC until after the filing deadline.

USAC acknowledged receipt of NPCR's June 30, 2006 IAS line count filing on Monday, July 3, 2006 – just one business day after the filing deadline. Because the June 30, 2006 filing deadline fell on a Friday, USAC would not by Monday morning have been able to process – and most likely had not even started to process – the vast amount of line count data it had received by close of business Friday. Accordingly, incorporating NPCR's IAS line count data in its calculations should not have resulted in any administrative hardship to USAC.

Since investigating the circumstances resulting in the Company's untimely June 30, 2006 filing, NPCR has revised the Company's already stringent internal procedures for filing line count reports with USAC to ensure timely filing of line count data in the future. Specifically, to avoid any confusion regarding the method of filing the Company's line count data, NPCR has made it mandatory that all line count data in the future will be filed via overnight carrier. Moreover, NPCR has assigned the Senior Tax Manager to be directly responsible for the timely submission of all line count data filings, thereby eliminating any confusion regarding who is responsible for submitting the Company's line count data, and limiting to the greatest extent possible any risk of even inadvertent non-compliance with the Commission's line count filing deadlines in the future.

II. REQUEST FOR WAIVER

The Commission's Rules expressly provide for waiver of any Rule if good cause is first established. 47 C.F.R. § 1.3. In addition, Section 1.925(b)(3) provides for a waiver where it is shown that:

- (i) The underlying purpose of the rule(s) would not be served or would be frustrated by the application to the instant case, and that a grant of the requested waiver would be in the public interest; or
- (ii) In view of unique or unusual factual circumstances of the instant case, application of the rule(s) would be inequitable, unduly burdensome or

contrary to the public interest, or the applicant has no reasonable alternative.

47 C.F.R. § 1.925(b)(3). Consistent with these Rules, the Commission “may exercise its discretion to waive a rule where particular facts would make strict compliance inconsistent with the public interest.” *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990).

In this case, strict adherence to the line count filing deadline set forth in Commission Rule 54.802 would prevent NPCR from receiving IAS for the months of July, August and September 2006. Accordingly, NPCR would be denied timely and appropriate IAS payments, even though the Company was designated as an ETC and was providing service to its customers as an ETC during this time. The Commission’s grant of the requested waiver will avoid this inequitable result and will assist NPCR in continuing to provide high quality telecommunications services throughout its designated areas.

A. The Limited Waiver Sought by NPCR Will Advance the Commission’s Universal Service Goals

Granting NPCR’s Petition for Waiver of the IAS line count filing deadline set forth in Commission Rule 54.802 will promote the Commission’s public policy goal of universal service and will aid consumers by increasing access to competitive telecommunications services. Granting NPCR’s Petition will also assist the Company in continuing to maintain and improve its network and to provide quality services to consumers in its designated areas. Denial of the Company’s limited request for waiver will disadvantage NPCR and inhibit its ability to fulfill the goals of the Telecommunications Act of 1996; namely, “[t]o promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications technologies.” Pub. L. No. 104-104, 110 Stat. 56 (1996).

Moreover, the Commission has noted that “competitively neutral access to support is critical to ensuring that all Americans have access to affordable telecommunications.”³ Denying NPCR’s access to IAS support for an entire quarter simply because USAC did not receive the Company’s IAS line count data until Monday, July 3, 2006 – just one business day after the filing deadline – would undermine the Commission’s goal of competitive neutrality.⁴ IAS support is important to NPCR as a competitive ETC because it allows the Company to continue to upgrade and improve its facilities and, in turn, better serve customers within the Company’s designated ETC service areas. NPCR’s customers should not be penalized and denied the benefits of such support due to a negligible delay in USAC’s receipt of the Company’s IAS line count data — a delay that should not have resulted in any administrative burdens for USAC.

B. The Limited Waiver Sought by NPCR is Consistent with Commission Precedent

The Commission has consistently granted petitions for waiver of certain ETC filing deadlines to facilitate a carrier’s receipt of universal service support. The limited waiver sought by NPCR in this case is consistent with, and fully supported by, the Commission’s prior decisions.

For example, in 2005, the Commission granted Frontier Communications’ Petition for Waiver of the Section 54.802 line count filing requirement under remarkably similar

³ *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, *Ninth Report and Order and Eighteenth Order on Reconsideration*, FCC 99-306, ¶¶ 89-90, 14 FCC Rcd 20423 (1999), *rev’d in part and remanded in part*, *Qwest Corp. v. FCC*, 258 F.3d 1191 (10th Cir. 2001).

⁴ *See In the Matter of Federal-State Joint Board on Universal Service, Grande Communications, Inc. Petition for Waiver of Sections 54.307 and 54.314 of the Commission’s Rules and Regulations*, CC Docket No. 96-45, *Order*, DA 04-2534, ¶ 10, 19 FCC Rcd 15580 (WCB TAPD 2004) (“Grande Order”).

circumstances.⁵ In that case, Frontier explained that it missed the filing deadline because of a corporate reorganization that directly affected the personnel responsible for the line count filing. As a result of the corporate reorganization, Frontier asserted that responsibility for the line count filings was transferred to a new section of the organization and to new employees who failed to submit the company's line count report until five days after the filing deadline.⁶ Frontier also asserted that the loss of IAS support would undermine the company's ability to invest in its telecommunications network and that the company should not be penalized for this late filing as it had never missed a line count filing deadline prior to June 30, 2005.

NPCR's situation is very similar. In this case, NPCR was in the midst of a merger with Sprint Nextel at the time of the June 30, 2006 IAS line count filing deadline. In addition, the Company's Tax Department – who were responsible for preparing and filing the IAS line count report – were substantially diverted from their normal duties in order to facilitate the June month-end accounting close and the preparation of financial statements in anticipation of the closing.

Yet, unlike Frontier, NPCR was able to complete and mail the Company's IAS line count report on Thursday, June 29, 2006 – prior to the filing deadline. Moreover, USAC acknowledged receipt of NPCR's line count report just one business day after the filing deadline – not five days after the filing deadline as occurred in *Frontier*.

Also, just like Frontier, NPCR's loss of IAS support will have a negative effect on end-user customers as the Company's ability to continue to improve and expand its

⁵ *In the Matter of Federal-State Joint Board on Universal Service, Citizens Communications and Frontier Communications Petition for Waiver of Section 54.802(a) of the Commission's Rules*, CC Docket 96-45, Order, DA 05-2829, 20 FCC Rcd 16761 (WCB 2005).

⁶ *Id.* at ¶ 4.

telecommunications network and services will be diminished and/or delayed. Accordingly, just like Frontier's customers, NPCR's customers should not be penalized for the Company's inadvertent failure to deliver its June 30, 2006 IAS line count reports to USAC until one business day after the filing deadline. Thus, consistent with the Commission's decision in *Frontier*, it should also grant NPCR's petition for waiver in this case.

More recently, the Commission granted Verizon Communication, Inc.'s petition for waiver of the Section 54.802 line count filing deadline.⁷ In that case, Verizon missed the filing deadline and attempted to file the company's IAS line count data two business days after the deadline. In granting Verizon's petition for waiver, the Commission noted that "strict enforcement of the filing deadline would disproportionately penalize Verizon when considered in light of its action to remedy its error."⁸ The Commission further found that in attempting to remedy the late filing, Verizon had:

1. Showed good faith in attempting to cure the late filing within two days of the filing deadline;
2. Revised its internal procedures by making several employees specifically responsible for assuring that the company's line count filings are timely submitted; and
3. Tasking a Senior Manager with the responsibility for ensuring the accurate and timely filing of the company's line count data.⁹

Moreover, the Commission agreed with Verizon's assertion that loss of the IAS funding would undermine the company's investments in its network and its ability to ensure that its customers have and maintain access to adequate services.

⁷ *In the Matter of Federal-State Joint Board on Universal Service, Verizon Communications, Inc. Petition for Waiver of Section 54.802(a) of the Commission's Rules*, CC Docket No. 96-45, DA 06-1861, Order, 2006 WL 2619977 (WCB 2006) ("*Verizon Order*").

⁸ *Id.* at ¶ 7.

⁹ *Id.* at ¶¶ 9-10.

The same rationale supports the granting of NPCR's request in this case. Here, NPCR mailed the Company's IAS line count report *prior* to the deadline – June 29, 2006. While hindsight reveals the Company should have sent the reports by overnight mail, NPCR employees acted in good faith and simply did not appreciate that sending the IAS report via certified mail would delay USAC's receipt of the reports until after the filing deadline. Moreover, not only did the Company have stringent procedures in place to ensure the early preparation and timely filing of line count data prior to the June 30, 2006 filing deadline, the Company has since implemented additional safeguards, including making it mandatory that all line count submissions to USAC be sent via overnight carrier, and making a Senior Tax Manager directly responsible for submitting the data to USAC to avoid any confusion regarding the individual responsible for filing the line count data in a timely manner. Additionally, the loss of IAS support will undermine NPCR's continued ability to maintain and upgrade the Company's facilities. Accordingly, NPCR should be granted the same equitable relief as Verizon and other similarly situated carriers.

C. The Limited Waiver Sought by NPCR Will Serve the Public Interest

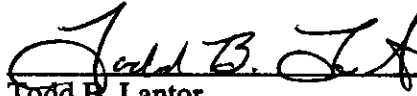
The public interest will be served by granting NPCR's Petition for Waiver of the June 30, 2006 IAS line count filing deadline. Without the resulting IAS support, NPCR's ability to continue to increase access to, and improve the quality of, the Company's telecommunications services will be inhibited and delayed. It would therefore be inequitable to deny NPCR IAS support for the months of July through September, 2006 simply because USAC did not receive the Company's June 30, 2006 IAS line count report until one business day after the filing deadline – especially when the Company has revised its already stringent internal line count filing procedures to limit to the greatest extent possible any risk of even inadvertent non-compliance with the Commission's line count filing deadlines in the future.

III. CONCLUSION

For the foregoing reasons, the Commission should grant NPCR's request for waiver of the line count filing requirements set forth in Commission Rule 54.802 and allow the Company to receive Interstate Access Support for the months of July through September, 2006.

Respectfully submitted,

Dated: September 29, 2006

A handwritten signature in cursive script, appearing to read "Todd B. Lantor", written over a horizontal line.

Todd B. Lantor
Regulatory Counsel
NPCR, Inc.
2001 Edmund Halley Drive
Mailstop: VARESP0202-A207
Reston, Virginia 20191-3436
Phone: 703.592.7185

Mark J. Ayotte
BRIGGS AND MORGAN, P.A.
2200 IDS Center
80 South Eighth Street
Minneapolis, Minnesota 55402
Telephone: (612) 977-8400
Facsimile: (612) 977-8650
mayotte@briggs.com

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
Federal-State Joint Board on Universal Service)	CC Docket No. 96-45
NPCR, Inc. Petition for Waiver of Section 54.802)	
of the Commission's Rules)	
)	

DECLARATION OF JOSH MILLIERN

1. My name is Josh Milliern. I am a Senior Tax Accountant for NPCR, Inc. ("NPCR" or the "Company"). I have served in this capacity since February 2005. Prior to serving as a Senior Tax Accountant, I was a Tax Accountant for the Company for a period of three (3) years. I have been with NPCR since February 2002. My business address is 4500 Carillon Point, Kirkland, WA 98033. As a Senior Tax Accountant for NPCR, my responsibilities include the preparation and filing of federal and state income tax returns, management of the Company's local property taxes and property tax returns, and the supervision of other property tax accountants within the Tax Department. I am also responsible for assisting individuals within the Company's Tax Department with the preparation, review and filing of the quarterly line count data required by the Commission's Rules, including Section 54.802.

2. I hold a Bachelor's degree in Business with a concentration in Accounting from the University of Washington.

3. NPCR takes very seriously the line count filing deadlines set forth in the Commission's Rules, and in fact, makes every effort to submit the Company's line count data in advance of the applicable deadlines to assist the Universal Service Administrative Company ("USAC") in processing the vast amount of line count data it receives. This is evidenced by NPCR's submission of the Company's High Cost Loop ("HCL") and Interstate Common Line

Support ("ICLS") line count data – which were not due until July 31, 2006 – at the same time the Company submitted its Interstate Access Support ("IAS") line count data on June 29, 2006. Prior to the June 30, 2006 filing, NPCR had never missed a line count filing deadline in the three years the Company has been submitting line count data to USAC.

4. NPCR has established internal procedures to ensure the timely preparation, finalization and filing of line count reports with USAC well in advance of the filing deadlines set forth in the Commission's Rules. Our normal process involves requesting the line count data from one of our business analysts approximately four to six weeks prior to the applicable filing deadline. Once all of the line count data has been compiled, a Tax Contractor for NPCR prepares an initial draft of the line count reports for delivery to me. As a Senior Tax Accountant, I then review and check the line count reports for accuracy, including the states, dates listed and type of filing. Upon completing my review, I hand deliver the line count reports to Boyd Daniels, a Senior Tax Manager, for his final review, approval and signature. Once approved by the Senior Tax Manager, I then receive the reports and I am responsible for ensuring that they are mailed to USAC. Our procedures have regularly involved sending the line count reports to USAC by certified mail, return receipt requested.

5. NPCR's June 30, 2006 IAS line count reports were prepared in accordance with the Company's normal procedures. The June 30, 2006 IAS line count reports were submitted to USAC via certified mail on Thursday, June 29, 2006 – in advance of the filing deadline. I was responsible to oversee the mailing of the June 30, 2006 IAS line count reports. I understood the importance of the filing deadline, and thus, I directed an intern to submit the IAS line count data via certified mail on Thursday, June 29, 2006. I even followed up with the intern that same day to confirm that the reports were in fact mailed on June 29. Attached is a copy of the certified

mail receipt showing that the reports were mailed to USAC on June 29, 2006, and received by USAC on July 3, 2006. It simply did not occur to me to deviate from our established procedures and mail the line count filings via overnight carrier.

6. On or about June 20, 2006, the Company was informed that the Commission had approved the Company's merger with Sprint Nextel. This announcement and the anticipation of the closing of the acquisition brought about significant additional accounting work within NPCR near the end of the quarter. The announcement caused substantial portions of the Company's Tax Department staffing resources to be diverted from their normal duties to facilitate NPCR's June month-end accounting close and the preparation of financial statements in advance of the acquisition within a short period of time. In short, the Company did not have a routine end of the quarter. The redirection of staffing resources within the Tax Department resulted in our inability to prepare and finalize the IAS line count reports consistent with our normal process of completing the reports between two and four weeks before the applicable deadline.

7. NPCR did not become aware of the late IAS line count filing until approximately September 6, 2006, when Scott Peabody, the Company's Director of Engineering and Operations, observed that the September disbursements were below the normal USAC funding level. Mr. Peabody then reviewed USAC's website to verify the IAS reimbursements. Immediately upon seeing that USAC's website indicated a negative amount for the Company's IAS reimbursements, Mr. Peabody contacted Elizabeth Persevoi at USAC by email and was informed that the June 30, 2006 IAS line count data submission was received by USAC late.

8. The Company's Senior Tax Manager and I immediately began to investigate and review the June 30, 2006 IAS line count filing process. We discovered that the IAS line count data had been prepared and sent to USAC via certified mail on Thursday, June 29, 2006.

However, USAC received NPCR's IAS line count data on Monday, July 3, 2006 – less than one business day after the filing deadline. Because the June 30, 2006 filing deadline was a Friday, I do not believe USAC would have been able to process, and in fact may not have even begun to process, the vast amount of line count data it received. I believe USAC could have incorporated NPCR's IAS line count data in its calculations and projections without any administrative difficulty.

9. NPCR's internal procedures are specifically designed to facilitate the timely filing of line count data with USAC. However, due to the redirection of staffing resources within the Tax Department brought about by NPCR's being acquired by Sprint Nextel, the IAS line count report was not finalized within the normal two-to-four week advance timeframe. However, I did follow the Company's normal internal procedures to submit the Company's IAS line count data via certified mail.

10. To ensure timely line count filings in the future, NPCR has revised the Company's already stringent internal procedures for the timely filing of line count data with USAC. Specifically, to avoid any confusion regarding the method of filing the Company's line count data, NPCR has made it mandatory that all line count data in the future will be filed via overnight carrier. Moreover, NPCR has assigned the Senior Tax Manager to be directly responsible for the timely submission of all line count data filings, thereby eliminating any confusion regarding who is responsible for submitting the Company's line count data, and limiting to the greatest extent possible, any risk of non-compliance with the Commission's line count filing deadlines in the future.


11. NPCR is designated as an Eligible Telecommunications Carrier ("ETC") in fifteen states. The Company receives IAS funding in fourteen of those fifteen states. NPCR

estimates that it would have been entitled to receive approximately \$1.5 million in Interstate Access Support for the period covered by the June 30, 2006, IAS line count filing – the months of July, August and September, 2006. Without this support, NPCR's ability to increase access to, and improve the quality of, the telecommunications services that it provides to consumers will be inhibited and delayed. Granting of the requested waiver will promote the provision of universal service and will assist NPCR in maintaining and improving the Company's network, and continuing to provide high quality service to its customers, especially those residing in high-cost areas served by the Company.

12. This concludes my declaration.

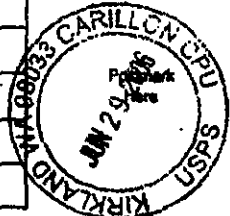
I declare under the penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

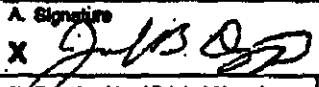

Executed on September 25, 2006



Joselyn Milliern
Senior Tax Accountant
NPCR, Inc.

7005 1820 0001 3462 2584

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SENDER: COMPLETE THIS SECTION ■ Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. ■ Print your name and address on the reverse so that we can return the card to you. ■ Attach this card to the back of the mailpiece, or on the front if space permits.	COMPLETE THIS SECTION ON DELIVERY A. Signature X  <input type="checkbox"/> Agent <input type="checkbox"/> Addressee B. Received by (Printed Name) C. Date of Delivery D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input type="checkbox"/> No If YES, enter delivery address below:
1. Article Addressed to: USAC 444 Hoes Lane RRC 4A1060 Piscataway, NJ 08854	
2. Article Number (Transfer from service label)	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Registered Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D. 4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
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